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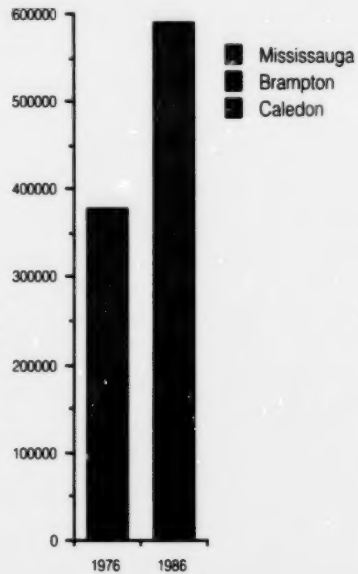


ANNUAL REPORT 1986

For Peel, 1986 represented another year of challenge and opportunity. The spectrum of activities in the year encompassed programs aimed at addressing our current and future needs as well as preserving our past. The success of our efforts was realized through our ability to remain innovative in a dynamic environment without sacrifice to effectiveness or efficiency in our operations.

Growth in Peel continued its rapid pace. Our population at year end stood at 590,500, an increase of 20,900 over 1985. Residential assessment grew by 6.1 per cent while commercial/industrial assessment grew by 6.6 per cent, for a total growth of 6.3 per cent. New housing starts reached a level of 9,617 compared with 6,251 in 1985. Activity in the industrial sector paralleled residential growth in the year, and there is no immediate indication that we can expect a slowdown in this trend in the coming months.

**Population of Peel
1976 / 1986**



1986 Accomplishments



In October, 1986, the Region's newly-renovated **Heritage Complex** opened its doors to the public. The former Peel County Jail and Registry Office, both 19th century structures, now jointly house a museum, art gallery and archival facility. With a combined floor area of over 23,000 square feet, and a multitude of displays and artifacts, the theme of the Heritage Complex stresses the rich and varied heritage shared by Peel residents. The time and effort devoted to this project is perhaps best reflected by the fact that the Complex received top honours for design excellence in the City of Brampton's Development Design Awards.

1986 Accomplishments

The Corporation boasts a wide range of achievements during 1986. Some of our major accomplishments included:

- The completion of a further phase of the Police Department computerization project (C.A.S.P.E.R.), which now links fifty terminals throughout the Force directly to the Canadian Police Information Centre in Ottawa, allowing instantaneous access to data accumulated nationally and used to assist in investigations.
- The opening of a Family Visitor Centre in Brampton under the direction of the Peel Children's Aid Society, offering a neutral location for visits between parents and children in an amicable atmosphere.
- The commencement of the implementation of the 911 emergency telephone system, which will be fully operational throughout Peel by December, 1987.
- The recovery of \$1.7 million from the Province of Ontario for monies paid out over the past several years by our Social Services Department for the maintenance of juvenile delinquents.
- The issuance of \$15.0 million of ten year - 9 1/4 per cent debentures. This 9 1/4 per cent coupon was the lowest interest rate in 1986 for any municipality in Canada.
- The further contribution of \$1.0 million towards the construction of Peel Memorial Hospital, to assist in meeting a funding shortfall.
- The expansion of the Transhelp program, to meet a major increase in service demands.
- The highest crime-solving rate in the history of the Peel Regional Police Force. Since the formation of the Force, 67 of 68 murders have been solved.
- The addition of 355 day care spaces throughout the Region.
- The addition of a new wing on Peel Manor, one of Peel's Homes for the Aged.
- The contribution of approximately \$0.2 million in grants to twenty local agencies in Peel.

A long-term solution for the disposal of domestic waste remained a dominant corporate issue. Some 22 public meetings were held in connection with the Waste Management Master Plan and the search for a Brampton landfill site. Negotiations for an energy-from-waste proposal reached the final stages, and Council approved special awards to recognize the activities of community groups who made exemplary contributions towards recycling.

The Health Department extended its program in 1986 to provide counselling on family planning. This program was developed by a team of community health nurses, doctors and counsellors and is aimed at providing a service to Peel's younger residents. The goal of the program is to reduce unwanted pregnancies, abortions, and cases of sexually transmitted diseases.

The Ministry of Housing granted consideration to several proposed projects of the Peel Non-Profit Housing Corporation. A total of 387 new units were allocated to meet the needs of the Corporation in 1986, and four new projects launched. These units are expected to be approved in 1987.

The tax rate increase for 1987 has been held at 5.96 per cent. The impact of waste management studies on this increase represents a full 2.0 per cent, and will continue to be a critical factor in the Region's budget. The overall impact of assessment increases in 1987 has been held to approximately 3.25 per cent, thanks to a zero rate increase on utility rates.

The Regional Police Force continued to be the leader among Canada's major police forces. A total of over one million calls were handled in 1986, with more than 310,000 of those directed to communications for further action. The force also improved its status in crime solving clearing 59 per cent of new cases that arose in 1986 for homicide, attempted murder and robbery.

The Force investigated a total of 22 traffic fatalities in 1986 - the lowest recorded number since their formation 12 years ago. A major factor contributing to this decrease was the dramatically reduced incidence of alcohol-related offences. Fatal collisions attributable to alcohol represented 27 per cent of the total in 1986, continuing the downward trend from 1983 when it stood at 63 per cent. This trend is paralleled by a 31 per cent reduction in the number of alcohol-related charges laid in 1986. The Force credits the combined efforts of selective traffic enforcement, public education and community participation with

this most favourable statistic.

The Force has adopted a new look in its cruisers beginning in 1987. The familiar brilliant yellow vehicles will be phased out over the next two years in favour of white vehicles, with the introduction of fifty new cars in early 1987. The high lead content of the paint used by car manufacturers to produce the bright yellow colour has been cited as a health hazard, and will be dropped by the major auto makers by 1988.

Innovation and Progress

In our role as a municipality viewed by many others as a trendsetter in Ontario, opportunities to introduce improved or original services to our residents are seldom overlooked. This year was no exception. The following programs accentuate the recognition we have earned for innovation.

- Pre-natal classes for the deaf and hearing impaired. Peel is the only municipality in Ontario to offer this service, with only one other comparable program offered across all of Canada.
- The Foster Home Care Program, which provides four new outreach programs for senior citizens at privately owned and operated residential homes.
- The Diversion Credit Program, which provides subsidies to the area municipalities on every tonne of waste diverted from the Britannia

Landfill Site, saving the Region close to half a million dollars a year.

- The program review approach undertaken by the Health Department, which in 1986 led to a complete change in emphasis on several programs.

Also recognizing that the maintenance of innovation and progress in the delivery of services to the public is a function of how well we adapt to change organizationally, we saw during the year many improvements to our own operations. Several of our internal developments include:

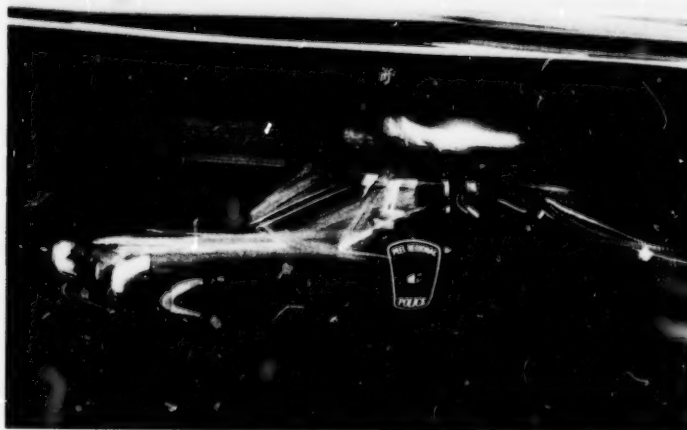
- The approval by Regional Council of the Employment Equity Report, prepared by a front-line staff committee aimed at ensuring equal access to all positions by improving employment practices and preparing the Corporation for pay equity legislation.
- The introduction on a cost-shared basis of an Employee Assistance Program, aimed at providing employees with sound, confidential counselling in order to enhance their performance on the job.
- The use of in-house staff and personal computing software to avoid the costly typesetting by outside sources of numerous Regional publications. This use of technology is saving the Corporation \$15,000 a year.

*Peel Non-Profit Housing Corporation
Ridgewood Court*



- The testing of on-line systems in our accounts payable and general ledger functions, both of which are scheduled for implementation in 1987.
- Creation of a computer skills development centre to introduce employees to new ways of doing their jobs using computer hardware and software.
- The restructuring of Public Works, to improve efficiency through the consolidation of related functions and the streamlining of management hierarchy.
- An improved tuition assistance program, which reimburses employees 75 per cent of the cost of job-related courses upon successful completion.

The Strategic Police Response, the first such program of its kind in Canada, will address three major areas of concern facing the Force - allocation of resources, how to best respond to calls, and the fulfillment of citizens' expectations.



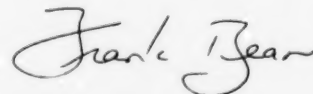
1987 and Beyond

Plans are underway for a number of undertakings in the coming year:

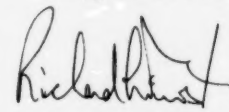
- With the opening of a fourth Police divisional building in Southwest Mississauga in March, 1987, the search will begin for a similar fifth facility in Northwest Mississauga.
- A new landfill site will be selected in the City of Brampton, as the Britannia Site in Mississauga expires in 1990.
- Regional Council will decide whether to proceed with alternative waste disposal means, including a 400 tonne per day energy-from-waste plant proposal put forward by the Petro-Sun International Inc./SNC Consortium.
- A review of the feasibility of expanding child abuse treatment programs by the Children's Aid Society.
- Office automation will be introduced throughout the Corporation to assist staff in more quickly responding to the needs of their jobs.
- A study to investigate trends in respiratory illness in Peel children through the Health Department.
- The expansion of the Employment Strategies Team program through our Social Services Department, to assist people in coping with the stress of unemployment.
- The opening of a second Children's Aid Family Visitor Centre at The Mississauga Community Centre.
- The formulation of the Regional Official Plan Draft D by the Planning Department.
- Ongoing funding of \$1.0 million towards the Lake Ontario Waterfront Project on Conservation Authority parkland.

The year 1986 saw the departure of two senior staff members. William J. Anderson retired from his position as Commissioner of Public Works after 38 years of service to Peel. Bill was a well known and respected figure throughout the Region. The fruits of his efforts will benefit Peel's residents for years to come. Peter J. Marshall, Treasurer and Commissioner of Finance departed in the fall to take up practice in the private sector. Peter's 12 years of service to Peel are perhaps best represented by the development and maintenance of the Region's triple-A credit rating with all three of North America's bond rating agencies, a standing shared by only one other municipality in Canada. Peter and Bill are held in high esteem by staff and Council alike and will be missed.

The final analysis will record that 1986 was yet another year of great achievement for Peel. We have successfully maintained a high level of service to our residents through our efforts to adapt to a dynamic, growing environment, while maintaining the costs of activities at an economical level. It is through this dedication, creativity and professionalism of our staff that we are able to realize our goals. As we progress into 1987, we will continue to build upon our already strong base to ensure success for the future.



R. Frank Bean
Regional Chairman



Richard L. Frost
Chief Administrative Officer

	1986	1985	1984	1983	1982
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(in thousands)

Current Program Activity

Expenditure	\$214,685	\$195,821	\$173,937	\$160,033	\$141,465
Revenue					
Levies on Area Municipalities	74,578	65,591	57,815	51,591	46,601
Direct charges on ratepayers	55,885	54,805	48,315	44,812	37,251
Contributions from other governments	54,433	49,720	46,501	43,311	38,599
Fees, service charges and other	29,559	23,058	17,303	15,380	16,536
Transfers from reserves and reserve funds	2,089	2,575	2,720	3,921	2,009
Surplus from the prior year	1,024	1,096	2,379	3,397	3,866
	217,568	196,845	175,033	162,412	144,862
Surplus for the year	\$ 2,883	\$ 1,024	\$ 1,096	\$ 2,379	\$ 3,397

Capital Program Activity

Outlay	\$ 52,365	\$ 41,513	\$ 59,509	\$ 66,165	\$ 61,170
Financing					
Contributions from other governments	\$ 7,622	\$ 6,484	\$ 7,125	\$ 14,793	\$ 17,808
Long-term borrowing	528	11,841	29,867	1,949	41,675
Current revenue	21,042	16,066	12,909	11,575	12,178
Reserves and reserve funds	18,226	16,820	14,417	17,693	24,719
Other	7,158	6,524	5,896	5,529	4,566
	\$ 54,576	\$ 57,735	\$ 70,214	\$ 51,539	\$100,946

Reserves and Reserve Funds	\$ 74,875	\$ 54,112	\$ 46,269	\$ 41,581	\$ 40,869
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Net Long-Term Liabilities

Supported by:

Property taxation	\$ 43,732	\$ 49,100	\$ 50,426	\$ 40,941	\$ 44,655
Sanitary sewer and water rates	63,567	71,285	69,742	58,133	60,742
	\$107,299	\$120,385	\$120,168	\$ 99,074	\$105,397

Charges for Net Long-Term Liabilities

Supported by:

Property taxation	\$ 12,132	\$ 11,822	\$ 9,390	\$ 8,911	\$ 8,283
Sanitary sewer and water rates	16,221	14,863	11,511	10,671	6,927
	\$ 28,353	\$ 26,685	\$ 20,901	\$ 19,582	\$ 15,210

	1986	1985	1984	1983	1982
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TAXABLE ASSESSMENT

	<i>(by the year of assessment, in thousands)</i>				
Residential and farm	\$5,537,754	\$5,217,878	\$4,911,273	\$4,833,061	\$4,664,595
Commercial and industrial	2,657,946	2,493,552	2,374,722	2,229,829	2,132,839
Total taxable assessment	\$8,195,700	\$7,711,430	\$7,285,995	\$7,062,890	\$6,797,434

Percentage increase from prior year	6.3%	5.8%	3.2%	3.9%	4.4%
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Commercial and industrial, as a percentage of total	32.4%	32.3%	32.6%	31.6%	31.4%
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Tax exempt assessment	\$ 767,758	\$ 745,985	\$ 718,811	\$ 675,464	\$ 667,568
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Population

Mississauga	374,000	362,093	349,853	336,853	324,853
Brampton	186,500	178,641	169,981	162,981	154,981
Caledon	30,000	28,822	27,587	27,087	26,587
	590,500	569,556	547,421	526,921	506,421

Employees *(continuous full-time)*

Police Force	1,072	1,001	959	929	917
Regional Departments	1,331	1,241	1,256	1,154	1,160
	2,403	2,242	2,215	2,083	2,077

Households	193,284	186,915	181,948	175,278	168,282
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PER CAPITA INFORMATION

Taxable Assessment	\$ 13,879	\$ 13,539	\$ 13,310	\$ 13,404	\$ 13,422
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Current Expenditure	\$ 363.56	\$ 343.81	\$ 317.74	\$ 303.71	\$ 279.34
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Net Long-Term Liabilities

Supported by:

Property taxation	\$ 74.06	\$ 86.21	\$ 92.12	\$ 77.70	\$ 88.18
Sanitary sewer and water rates	107.65	125.16	127.40	110.33	119.94
	\$ 181.71	\$ 211.37	\$ 219.52	\$ 188.03	\$ 208.12

Charges for Net Long-Term Liabilities

Supported by:

Property taxation	\$ 20.55	\$ 20.76	\$ 17.15	\$ 16.91	\$ 16.35
Sanitary sewer and water rates	27.47	26.10	21.03	20.25	13.68
	\$ 48.02	\$ 46.86	\$ 38.18	\$ 37.16	\$ 30.03

I am pleased to present the Annual Report of the Regional Municipality of Peel for the year ended December 31, 1986. The Region has again in 1986 successfully strengthened its financial position, to better serve our ratepayers and to build for the future.

Property tax supported programs generated a surplus of \$2.9 million in the year. Contributing to this surplus was a \$0.5 million unspent balance in the contingency fund and a further \$0.5 million underspent position within the Police. Fee and service charge revenue under waste disposal charges added another \$1.2 million, while the remaining \$0.7 million was spread over other expenditure and revenue categories.

A surplus of \$1.5 million was recorded in the sanitary sewer and water rate supported programs. In accordance with Council policy this surplus was transferred to the Utility Rate Stabilization Reserve, to reduce the effect of future rate increases for these services. The rates for sanitary sewer and water usage in 1987 will remain unchanged at the levels established two years ago.

Capital financing unexpended at December 31, 1986 stood at \$43.3 million, just slightly above the

\$41.1 million level recorded last year, and for the first time since the formation of the Region, total municipal equity exceeded the one hundred million dollar level, at \$121.0 million.

Our 1986 debenture issue, bearing a rate of 9 1/4 per cent, represented the least costly Canadian municipal issue of its kind for the year. We are able to achieve attractive interest rates on these offerings by successfully maintaining a triple-A credit rating with all three of North America's major credit rating agencies, a distinction we have held now for the third successive year.

Technological advancements continued to aid our ability to respond to the growing demands of the public. Office automation will be expanding throughout the Region over the next several years, with two major applications geared for implementation in 1987. In addition, major financial and management systems are going on-line or are being enhanced, to further improve our service levels to the community.

The coming year promises new challenges in an ever changing surrounding. Our primary goals will be to continue to provide quality service at a reasonable cost, and to remain a leader in the delivery of innovative programs to our ratepayers.

Bob Richards

Bob Richards
Treasurer and
Commissioner of Finance

The Members of Council,
Inhabitants and Ratepayers of the
Regional Municipality of Peel

We have examined the balance sheet of The Regional Municipality of Peel as at December 31, 1986 and the statements of capital outlay and financing, expenditure and revenue for services provided, reserves and reserve funds and combined Regional operations. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Regional Municipality of Peel as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting principles disclosed in the Summary of Significant Accounting Policies of the financial statements, applied on a basis consistent with that of the preceding year.

Touche Ross & Co.

Chartered Accountants

Mississauga, Ontario
March 13, 1987.

December 31, 1986

The financial statements of the Region have been prepared in accordance with accounting principles generally accepted for Ontario municipalities required by the Ontario Ministry of Municipal Affairs. In accordance with the requirements of the Ministry of Municipal Affairs, as set forth in the Municipal Financial Reporting Handbook, the financial statements reflect the following accounting policies:

Basis of Statement Presentation

The financial statements reflect the financial activities of the Region which include the Peel Regional Board of Commissioners of Police. Also included are the Regional contributions to the Peel Children's Aid Society and the local Conservation Authorities, and the funding thereof.

Programs which are fully funded by the Province of Ontario on the basis of a March 31 year-end are excluded from these statements.

A description of the financial statements presented in this Annual Report follows:

Balance Sheet - The assets and liabilities of the Region as at December 31 are presented in the Balance Sheet. Assets are classified as restricted, as required by the Municipal Financial Reporting Handbook, to the extent that they relate to reserve funds.

Statement of Capital Outlay and Financing

- Expenditures incurred by the Region for capital purposes, together with the capital financing committed to the projects during the same period, are presented in the Statement of Capital Outlay and Financing.

Statement of Expenditure and Revenue for Services Provided

- The Statement of Expenditure and Revenue for Services Provided summarizes the amounts expended and received in the current year by the Region for operating purposes compared with that budgeted for the year.

Reserves and Reserve Funds Statement of Continuity

- This statement reflects the financial position of the Region's reserves and reserve funds at the beginning and end of the year and the financial activity during the year.

Statement of Combined Regional Operations

- The Statement of Combined Regional Operations provides a summary of all the financial operations of the Region by combining current, capital, reserves and reserve funds.

Funds held in trust by the Region for residents of the Peel Manor and Sheridan Villa Senior Citizens' Residences and the Vera M. Davis Community Care Centre are not included in the financial statements. The financial activity and position of the Trust Funds are reported separately in the Trust Funds Statement of Continuity and Balance Sheet.

The Region maintains a separate fund for the purpose of providing for periodic repayments on debt to be retired by means of sinking funds. The financial activity and position of this fund and the Region's share of the City of Mississauga Sinking Fund are disclosed separately in the Sinking Funds Statement of Continuity and Balance Sheet.

Basis of Accounting

Revenue and Expenditure Recognition:

The Region follows the accrual method of accounting with the exception of the accounting for principal and interest charges on long-term liabilities which are charged against operations in the periods in which they fall due.

Capital Outlay Financed by Long-Term Liabilities:

The historical cost and the accumulated depreciation of fixed assets are not recorded for municipal accounting purposes. Capital expenditures may be financed by long-term debenture debt and by various non-debt sources. Capital Outlay Financed by Long-Term Liabilities represents the value of assets only to the extent that their source of financing was long-term debt which is still outstanding. It also includes the value of a long-term obligation arising out of a capital lease entered into by the Region.

Long-Term Investments:

Zero-coupon bonds are carried at cost plus accumulated interest.

Other long-term investments are carried at cost. Amortization of any discount or premium existing at the date of purchase is provided on a straight-line basis over the term of the investment.

Foreign Currency Translation:

Long-term debenture debt payable in U.S. dollars is translated based on the rates of exchange prevailing at the time that the proceeds were converted into Canadian dollars. Gains and losses on all foreign currency transactions are recorded as they occur based on exchange rates in effect at the time of the transactions.

As at December 31

	1986	1985
	(in thousands)	
ASSETS		
Restricted		
Current Assets		
Cash and short-term investments	\$ 30,390	\$ 20,918
Accounts receivable		
Provincial government	383	383
Other municipalities	2,865	613
	33,638	21,914
Unrestricted		
Current Assets		
Cash and short-term investments	43,666	46,883
Accounts receivable		
Federal and Provincial governments	10,462	6,502
Other municipalities	1,394	1,379
Sanitary sewer and water billings	7,136	7,252
Peel Non-Profit Housing Corporation	101	-
Sundry	5,318	3,371
Other current assets	2,353	2,568
	70,430	67,955
Long-term Investments		
(Market value 1986-\$47,654,000; 1985 - \$28,627,000)	47,144	27,937
	107,299	120,385
Capital Outlay Financed by Long-Term Liabilities	\$258,511	\$238,191

LIABILITIES AND MUNICIPAL EQUITY

Current Liabilities		
Accounts payable and accrued liabilities		
Trade accounts payable	\$ 29,187	\$ 17,866
Provincial government	380	258
Other municipalities	620	1,199
Peel Non-Profit Housing Corporation	-	2,291
	30,187	21,614
Net Long-Term Liabilities (Note 1)	107,299	120,385
Municipal Equity (Note 4)		
Surplus for the year	2,883	1,024
Reserves and reserve funds	74,875	54,112
Net unexpended capital financing	43,267	41,056
	121,025	96,192
	\$258,511	\$238,191

See accompanying summary of significant accounting policies and notes to financial statements.

As at December 31

	1986			1985	
	Land and Buildings	Engineering Structures	Machinery and Equipment	Total	
Net unexpended capital financing at the beginning of the year					(in thousands)
				\$41,056	\$24,834
OUTLAY					
General Government	\$1,275	\$ 32	\$ 555	1,862	1,726
Protection to Persons and Property	2,420	1,390	1,877	5,687	4,080
Transportation Services	870	11,661	779	13,310	7,379
Environmental Services					
Sanitary sewers	13	8,839	207	9,059	8,996
Water	2	16,697	1,160	17,859	10,736
Waste management	5	1,088	90	1,163	1,017
Engineering and administration	841	-	117	958	1,220
Health Services					
Capital grants to hospitals	1,426	-	-	1,426	4,737
Other	-	-	124	124	233
Social and Family Services	615	31	251	897	1,389
	\$7,467	\$39,738	\$5,160	\$52,365	\$41,513

FINANCING

Contributions from Other Governments	7,622	6,484
Long-Term Borrowing		
Property tax supported programs	528	3,997
Sanitary sewer and water rate supported programs	-	7,844
Current Revenue	21,042	16,066
Reserves and Reserve Funds		
Capital development fund	14,987	14,021
Reserves	3,678	3,422
Less: Transfers from capital	439	623
Other		
Contributions from developers	1,853	262
Investment income	3,556	4,147
Other	1,749	2,115
	54,576	57,735
Net unexpended capital financing at the end of the year	\$43,267	\$41,056

See accompanying summary of significant accounting policies and notes to financial statements.

For the year ended December 31

	1986 Actual	1986 Budget	1985 Actual
	(in thousands)		
EXPENDITURE			
General Government	\$ 6,005	\$ 6,099	\$ 5,689
Protection to Persons and Property			
Police	51,669	52,146	46,240
Conservation Authorities	1,599	1,609	1,518
Other	41	79	34
	53,309	53,834	47,792
Transportation Services	12,151	11,922	11,535
Environmental Services			
Sanitary sewers	30,194	32,165	28,720
Water	23,156	25,271	22,092
Waste management	4,157	4,246	3,833
Engineering and administration	(449)	(495)	(447)
	57,058	61,187	54,198
Health Services			
Health	6,313	6,711	5,945
Support to hospitals	2,808	2,809	2,943
	9,121	9,520	8,888
Social and Family Services			
General assistance	19,932	18,891	17,522
Assistance to aged persons	13,404	13,022	12,537
Assistance to children	1,750	1,750	1,859
Day nurseries	5,418	5,518	4,736
Social housing	1,737	1,684	1,325
	42,241	40,865	37,979
Planning and Development	1,641	1,692	1,560
Non-Program	1,231	2,040	1,226
	182,757	187,159	168,867
Transfers to:			
Reserves and Reserve Funds	10,886	7,665	10,888
Capital Projects	21,042	15,674	16,066
	\$214,685	\$210,498	\$195,821

See accompanying summary of significant accounting policies and notes to financial statements.

	1986 Actual	1986 Budget	1985 Actual
Total Expenditure (from previous page)	\$214,685	\$210,498	(in thousands) \$195,821
REVENUE			
Levies on Area Municipalities			
Mississauga	53,797	53,364	47,100
Brampton	18,759	18,496	16,613
Caledon	2,022	2,036	1,878
	74,578	73,896	65,591
Direct Charges on Ratepayers			
Sanitary sewers	28,834	29,389	28,199
Water	27,051	27,128	26,606
	55,885	56,517	54,805
Contributions from Other Governments			
Ontario unconditional grants	22,566	22,704	20,998
Ontario specific grants			
Transportation services	2,132	2,122	2,043
Health services	4,842	5,110	4,452
Social and family services	24,759	23,529	21,956
Other	119	135	138
Canada grants	15	40	133
	54,433	53,640	49,720
Fees, Service Charges and Other			
Senior citizens' resident fees	4,844	4,803	4,680
Waste disposal charges	7,715	6,496	5,374
Connection charges - sanitary sewers and water	7,312	5,263	5,088
Daycare fees	994	921	860
Peel Non-Profit Housing Corporation fees	2,100	2,067	1,708
Other fees and service charges	3,898	2,920	3,152
Net investment income	1,745	617	1,308
Sinking Fund surplus	314	261	678
Other revenue	637	418	210
	29,559	23,766	23,058
	214,455	207,819	193,174
Transfers from Reserves and Reserve Funds			
	2,089	1,655	2,575
Surplus from the Prior Year			
	1,024	1,024	1,096
	217,568	210,498	196,845
SURPLUS FOR THE YEAR	\$ 2,883	\$ -	\$ 1,024

For the year ended December 31, 1986

	Reserves				
	Ontario Water Resources Commission	Utility Rate Stabilization	Working Funds	Vehicle Furniture & Equipment Replacement	Workers' Compensation
Balance at the beginning of the year	\$606	\$13,278	\$3,264	\$4,517	\$783
REVENUE					
Contributions from land developers	-	-	-	-	-
Investment income	52	1,283	314	453	84
Contribution from current revenue	-	1,534	-	2,006	266
Contributions from capital programs	-	-	-	-	-
Proceeds from disposal of assets	-	-	-	204	-
Insurance settlements	-	-	-	1	300
Other	-	-	-	10	-
	52	2,817	314	2,674	650
EXPENDITURE					
Purchases	-	-	-	2,241	-
Transfers to current revenue	-	1,012	300	48	434
Transfers to capital programs	206	-	-	134	-
Debt service costs	7	-	-	-	-
Sick leave benefits	-	-	-	-	-
Vehicle expenses	-	-	-	-	-
Other	-	8	-	-	-
	213	1,020	300	2,423	434
Balance at the end of the year	\$445	\$15,075	\$3,273	\$4,768	\$999

See accompanying summary of significant accounting policies and notes to financial statements.

Waste Mgmt. Rate Stabilization	Insurance Stabilization	Sick Leave Benefit Plan	Total Reserves	Reserve Funds			Total Reserve Funds	Total Reserves & Reserve Funds
				Capital Develop- ment Fund	Ministry of the Environment Contingency			
					Sanitary Sewers	Water		
(in thousands)								
\$8,537	\$139	\$1,074	\$32,198	\$21,351	\$360	\$203	\$21,914	\$54,112
-	-	-	-	24,624	-	-	24,624	24,624
1,039	13	98	3,336	2,193	2	1	2,196	5,532
6,651	75	354	10,886	-	-	-	-	10,886
253	-	-	253	186	-	-	186	439
-	-	-	204	-	-	-	-	204
-	25	-	326	-	-	-	-	326
-	-	-	10	-	-	-	-	10
7,943	113	452	15,015	27,003	2	1	27,006	42,021
-	-	-	2,241	-	-	-	-	2,241
-	-	-	1,794	295	-	-	295	2,089
1,097	-	-	1,437	14,987	-	-	14,987	16,424
-	-	-	7	-	-	-	-	7
-	-	374	374	-	-	-	-	374
-	115	-	115	-	-	-	-	115
-	-	-	8	-	-	-	-	8
1,097	115	374	5,976	15,282	-	-	15,282	21,258
\$15,383	\$137	\$1,152	\$41,237	\$33,072	\$362	\$204	\$33,638	\$74,875

For the year ended December 31

	1986				1985	
	Current	Capital	Reserves	Reserve Funds	Total	
Municipal equity at the beginning of the year	\$ 1,024	\$ 41,056	\$ 32,198	\$ 21,914	\$ 96,192	\$ 72,199
<i>(in thousands)</i>						
Revenue and financing raised						
Levies on Area Municipalities	74,578	-	-	-	74,578	65,591
Direct charges on ratepayers	55,885	-	-	-	55,885	54,805
Contributions from other governments	54,433	7,622	-	-	62,055	56,204
Proceeds from long-term debt	-	528	-	-	528	11,841
Fees, service charges and other	29,559	7,158	3,876	26,820	67,413	50,022
	214,455	15,308	3,876	26,820	260,459	238,463
Transfers from:						
Current	-	21,042	10,886	-	31,928	26,954
Capital	-	-	253	186	439	623
Reserves	1,794	3,678	-	-	5,472	5,928
Reserve Funds	295	14,987	-	-	15,282	14,090
Less:						
Transfers to other funds	31,928	439	5,472	15,282	53,121	47,595
Net revenue and financing available	184,616	54,576	9,543	11,724	260,459	238,463
Expenditures and Outlay						
General Government	6,005	1,862	123	-	7,990	7,486
Protection to Persons and Property	53,309	5,687	374	-	59,370	52,272
Transportation Services	12,151	13,310	-	-	25,461	18,914
Environmental Services	57,058	29,059	7	-	86,124	79,786
Health Services	9,121	1,550	-	-	10,671	13,858
Social and Family Services	42,241	897	-	-	43,138	39,368
Planning and Development	1,641	-	-	-	1,641	1,560
Non-Program	1,231	-	-	-	1,231	1,226
	182,757	52,365	504	-	235,626	214,470
Municipal equity at the end of the year	\$ 2,883	\$ 43,267	\$ 41,237	\$ 33,638	\$ 121,025	\$ 96,192

See accompanying summary of significant accounting policies and notes to financial statements.

December 31, 1986

1. Net Long-Term Liabilities

Under the terms of the Regional Act, Council has obtained the approval of the Ontario Municipal Board for the issuance of debentures to finance its own capital expenditures and those of the Area Municipalities. Debentures issued for such purposes are direct, joint and several obligations of the Region and Area Municipalities.

The Municipal Act, as amended, permits Regional governments to issue debentures on behalf of local school boards. In the Region of Peel, education is provided by The Peel Board of Education and The Dufferin-Peel Roman Catholic Separate School Board (the "School Boards"). Debentures issued by the Region to finance a School Board's capital expenditures are direct, joint and several obligations of the Region, that School Board and the Area Municipalities.

Long-term liabilities are reported net of that portion assumed by and recoverable from other governments and School Boards as the responsibility for raising the funds required to service these liabilities lies with those respective governments and School Boards. The Region's share of its and the City of Mississauga's sinking funds are deducted to arrive at net long-term liabilities as they represent funds accumulated to retire these liabilities.

The Region's share of the surplus in the Region's sinking fund amounted to \$3,949,000 at December 31, 1986 (1985 - \$2,953,000).

Long-term debenture debt issued in U.S. dollars has been converted to Canadian dollars based on the historical exchange rates set forth below:

	Date of Issue	Amount Outstanding (in U.S. Dollars)	Exchange Rate
Series A	Aug. 1, 1975	\$ 3,250,000	Par
Series B	Dec. 1, 1976	27,000,000	\$1.00 U.S. = \$0.9812
Series C	Jan. 24, 1978	16,000,000	\$1.00 U.S. = \$1.1009
Series H	June 1, 1982	21,500,000	\$1.00 U.S. = \$1.2437

The U.S. portion of net long-term liabilities expressed in Canadian dollars at historical exchange rates amounted to \$32,377,000 at December 31, 1986 (1985 - \$36,671,000). Based on the rate of exchange prevailing at December 31, 1986, an additional \$5,926,000 (1985 - \$7,382,000) would be required to discharge the outstanding balance of net long-term liabilities payable in U.S. dollars.

Sinking fund assets relating to the Region's share of outstanding long-term liabilities payable in U.S. dollars are recorded in Canadian dollars based on exchange rates used for the translation of the respective long-term liabilities. These sinking fund assets are held in U.S. dollar denominated securities.

Also included in net long-term liabilities is the present value of the future minimum lease payments and a \$1,100,000 purchase option in 1998 for a capital lease.

A schedule of long-term liabilities is set forth below:

	As at December 31,	
	1986	1985
	(in thousands)	
Long-term debenture debt incurred by the Region	\$209,939	\$210,032
Long-term debenture debt assumed by the Region originally incurred by Area Municipalities	9,412	10,423
Capital Lease	1,859	1,891
Less:		
Long-term debenture debt incurred by the Region and assumed by:		
Area Municipalities	58,405	58,492
School Boards	34,519	26,085
Province of Ontario	72	227
	92,996	84,804
Gross long-term liabilities	128,214	137,542
Less:		
Sinking funds of the Region and the City of Mississauga	20,915	17,157
Net long-term liabilities	\$107,299	\$120,385

2. Charges for Net Long-Term Liabilities

Charges for principal repayments of long-term liabilities include contributions to sinking funds. Also included in the cost of servicing net long-term liabilities are payments in respect of a capital lease. The costs of servicing net long-term liabilities from current revenue are included in the Statement of Expenditure and Revenue for Services Provided under the appropriate program classifications. The costs of servicing net long-term liabilities are summarized below:

	Year ended December 31,	
	1986	1985
	(in thousands)	
Recovered from Current Revenue		
Principal repayments	\$11,616	\$10,279
Interest	16,737	16,406
	28,353	26,685
Recovered from Ontario Water Resources Commission Reserve		
Principal repayments	4	55
Interest	3	6
	7	61
	\$28,360	\$26,746

If the accrual method of accounting for interest on long-term liabilities had been followed for purposes of these financial statements, accrued interest charges at December 31, 1986 would have been \$3,362,000 (1985 - \$3,572,000).

The future payments for maturities of gross long-term liabilities outstanding at December 31, 1986 and their financing sources are set forth below. The future payments at maturity for sinking fund issues included below will be provided from the sinking funds accumulated to retire this debt.

	1987 to 1991	1992 to 1996	Subsequent to 1996	Total
	(in thousands)			
Property taxation	\$23,547	\$19,112	\$ 8,949	\$ 51,608
Sanitary sewer and water rates	34,329	31,935	10,342	76,606
	\$57,876	\$51,047	\$19,291	\$128,214

The cost of servicing net long-term liabilities incurred on behalf of sanitary sewer and water operations does not represent a burden on the property tax supported revenues as the necessary funds will be recovered through the sanitary sewer and water rates.

3. Long-Term Borrowings in 1986

On May 14, 1986 the Region issued sinking fund debentures to finance its own capital expenditures and those of the Area Municipalities and School Boards. The gross proceeds from the issue of debentures were applied in the following manner:

	Amount of Issue	Application of Proceeds		
		Region	Area Municipalities	School Boards
		(in thousands)		
Series M				
91/4% Non-Redeemable Sinking Fund Debentures due May 14, 1996	\$15,000	\$528	\$3,200	\$11,272

4. Municipal Equity

Surplus for the year

The Region's annual budget must take into account any property tax supported surplus resulting from the prior year. Surpluses for the years 1986 and 1985 amounted to \$2,802,000 and \$902,000, respectively, from general purposes and \$81,000 and \$122,000, respectively, from Conservation Authorities.

The surplus or deficit arising from sanitary sewer and water operations is transferred to or funded from the Reserve for Utility Rate Stabilization at the end of each year. In 1986 the net surplus from sanitary sewer and water operations transferred to the reserve was \$1,060,000 (1985 - \$4,298,000).

Reserves and reserve funds

Reserves and reserve funds are established by Regional Council and are included in the municipal equity of the Region. No reserves or reserve funds are established as a requirement of a Provincial or Federal statute.

Net unexpended capital financing

Net unexpended capital financing represents the net financial position of all capital projects as at December 31, and includes that portion of capital financing which has not been spent, net of any capital outlay not yet permanently financed. At December 31, 1986, \$52,600,000 (1985 - \$49,535,000) of committed financing for certain capital projects had not been spent while certain capital projects had \$9,333,000 (1985 - \$8,479,000) of expenditures yet to be financed.

A breakdown of capital outlay not yet permanently financed is set forth below by the anticipated source of funding:

	As at December 31	
	1986	1985
	(in thousands)	
Contributions from other governments	\$4,385	\$ 850
Long-term borrowing (OMB approved)	3,268	2,088
Current revenue	827	144
Reserves and reserve funds	39	2,896
Investment income	683	66
Fees and developers	106	1,288
Sales of assets	-	800
Other sources	25	347
	\$9,333	\$8,479

5. Contractual Obligations and Contingent Liabilities

- At December 31, 1986 outstanding contractual obligations for capital works amounted to approximately \$11,011,000 (1985 - \$6,133,000). The financing of these obligations has been authorized by Regional Council.
- Under the terms of agreements with the Ministry of the Environment, the Region is required to purchase water and sewage treatment at rates negotiated on an annual basis. Payments to the Ministry in respect of such agreements amounted to \$24,889,000 in 1986 (1985 - \$24,382,000). Payments under these agreements are financed by sanitary sewer and water rates.
- All permanent full-time employees of the Region are members of the Ontario Municipal Employees' Retirement System ("O.M.E.R.S."), a pension plan fully funded through employer and employee contributions. At December 31, 1986 the Region had an unfunded liability of \$529,000 (1985 - \$508,000) to provide supplementary pension benefits for certain salaried non-union staff members, and certain employees of the Peel Regional Police Force. Under the terms of the agreements with O.M.E.R.S., the Region is required to make annual payments for these supplementary benefits as follows:

	Annual Payment
1987 to 1990, inclusive	\$73,000
1991 to 1992, inclusive	64,000
1993 to 1999, inclusive	62,000

-
- (d) As at December 31, 1986 legal counsel estimated the potential liability on outstanding actions at \$3,537,000.
- (e) Under the terms of various operating lease agreements, future minimum payments are as follows:

1987	\$ 747,000
1988	658,000
1989	621,000
1990	485,000
1991	483,000
Subsequent to 1991	2,724,000
	<u>\$5,718,000</u>

6. Liability for Vested Sick Leave Benefits

Under a sick leave benefit plan for certain employees of the Police Force and the Senior Citizens' program, unused sick leave may be accumulated and converted into cash upon termination of employment. The cash settlement under this plan is equal to the lesser of the cash equivalent of one-half of the unused sick days or six months of the employee's current annual salary.

The unrecorded liability for accumulated sick leave, to the extent that it is vested and may become payable upon termination, amounted to approximately \$5,570,000 at December 31, 1986 (1985 - \$5,354,000). Of this amount \$5,490,000 (1985 - \$5,312,000) relates to the employees of the Police Force and \$80,000 (1985 - \$42,000) to those in the Senior Citizens' program.

On January 1, 1980 a reserve was established to provide for the funding of the potential liability of accumulated sick leave benefits of the Police Force. The rate of contribution is based upon 1% of related salaries. The balance of this reserve was \$1,152,000 at December 31, 1986 (1985 - \$1,074,000) representing total contributions to date net of any payments upon termination.

The Region has not provided for the funding of the potential liability relating to employees of the Senior Citizens' program. Payments upon termination are charged against current operations.

7. Comparative Figures

Prior year figures have been reclassified to conform with the current year's presentation.

As at December 31

	1986		Total	1985
	Regional Municipality of Peel Sinking Fund	Region's Share of City of Mississauga Sinking Fund		
<i>(in thousands)</i>				
ASSETS				
Cash and short-term investments	\$ 629	\$ -	\$ 629	\$ 708
Accounts receivable	705	-	705	626
Assets held for the Region by the City of Mississauga	-	4,072	4,072	3,918
Long-term investments	32,694	-	32,694	26,325
	\$34,028	\$4,072	\$38,100	\$31,577

LIABILITIES

Actuarial requirements for retirement of debentures				
Regional property tax supported	\$ 5,853	\$ -	\$ 5,853	\$ 4,836
Regional sanitary sewer and water rate supported	7,042	3,410	10,452	8,601
City of Mississauga	9,298	-	9,298	8,083
City of Brampton	3,273	-	3,273	2,831
Town of Caledon	29	-	29	25
Excess over actuarial requirements	8,533	662	9,195	7,201
	\$34,028	\$4,072	\$38,100	\$31,577

For the year ended December 31

	1986		Total	1985
	Regional Municipality of Peel Sinking Fund	Region's Share of City of Mississauga Sinking Fund		
<i>(in thousands)</i>				
Excess over actuarial requirements at the beginning of the year	\$6,435	\$766	\$7,201	\$6,124

REVENUE

Contributions from current revenue	2,532	-	2,532	2,838
Investment income	3,836	468	4,304	3,722
	6,368	468	6,836	6,560

EXPENDITURE

Provision for actuarial requirements	4,270	258	4,528	4,285
Repayment of surplus sinking funds:				
to Region	-	314	314	678
to Area Municipality	-	-	-	520
	4,270	572	4,842	5,483
Excess over actuarial requirements at the end of the year	\$8,533	\$662	\$9,195	\$7,201

1. Accounting Policies

The Region of Peel Sinking Fund is a separate fund maintained for the purpose of providing for periodic repayments on all debt to be retired by means of sinking funds.

Basis of Accounting

Revenue and Expenditure Recognition

The Region of Peel Sinking Fund follows the accrual method of accounting.

Long-term Investments - Amortization of Premiums and Discounts

Discounts on zero-coupon bonds are amortized on a compound interest basis over the term of the investment.

On any coupon bearing investment the amortization of any discount or premium existing at the date of purchase is provided on a straight-line basis over the term of the investment.

Foreign Currency Translation

For statement presentation purposes all U.S. dollar assets and liabilities are translated based on the rates of exchange prevailing at the time that the proceeds were converted into Canadian dollars. The Sinking Fund is not exposed to gains or losses on foreign currency translation as it receives all actuarial provisions on U.S. issues in U.S. dollars and subsequently invests the funds in U.S. pay securities.

The Members of Council,
Inhabitants and Ratepayers of
The Regional Municipality of Peel.

We have examined the sinking fund balance sheet of the Regional Municipality of Peel as at December 31, 1986 and the sinking fund statement of continuity. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the sinking fund of the Regional Municipality of Peel as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Mississauga, Ontario
March 13, 1987.

Touche Ross & Co.

Chartered Accountants

We have examined the balance sheet of the funds held in trust by the Regional Municipality of Peel as at December 31, 1986 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the funds held in trust by the Regional Municipality of Peel as at December 31, 1986 and the continuity of trust funds for the year then ended in accordance with accounting principles indicated on a basis consistent with that of the preceding year.

Mississauga, Ontario
March 13, 1987.

Touche Ross & Co.

Chartered Accountants

As at December 31

	1986	1985
	(in thousands)	

ASSETS

Cash and short-term investments	\$3,450	\$3,333
	\$3,450	\$3,333

RESIDENTS' EQUITY

Residents' equity	\$3,450	\$3,333
	\$3,450	\$3,333

For the year ended December 31

	1986	1985
	(in thousands)	
Balance at the beginning of the year	\$3,333	\$2,667

REVENUE

Deposits from residents	1,365	1,916
Interest income (cash basis)	314	307
	1,679	2,223

EXPENDITURE

Payments for maintenance, withdrawals by residents and payments to the estates of deceased residents	1,562	1,557
Balance at the end of the year	\$3,450	\$3,333

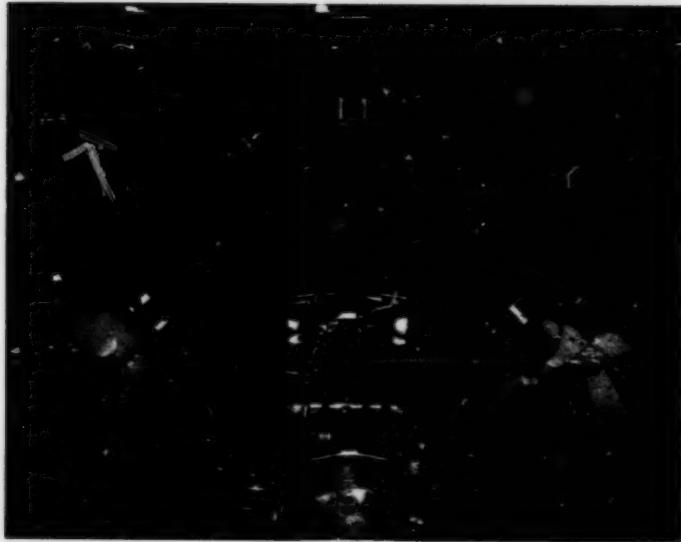
The success experienced by Peel in 1986 was shared by all three constituent municipalities.

Mississauga continued to record unprecedented growth and activity in 1986. The City issued building permits in the year totalling \$1.1 billion, ranking first in Canada, with a neighbouring city ranking second some \$270 million below that level. Commercial/industrial permits contributed \$500 million to the total for the year, while residential permits made up the remainder. New housing starts in Mississauga in 1986 hit a level of 6,164, just short of the 6,251 recorded throughout the entire Region in 1985. The population of Mississauga increased steadily throughout the year to 374,000 by year end, maintaining a growth trend that has existed over a number of recent years.

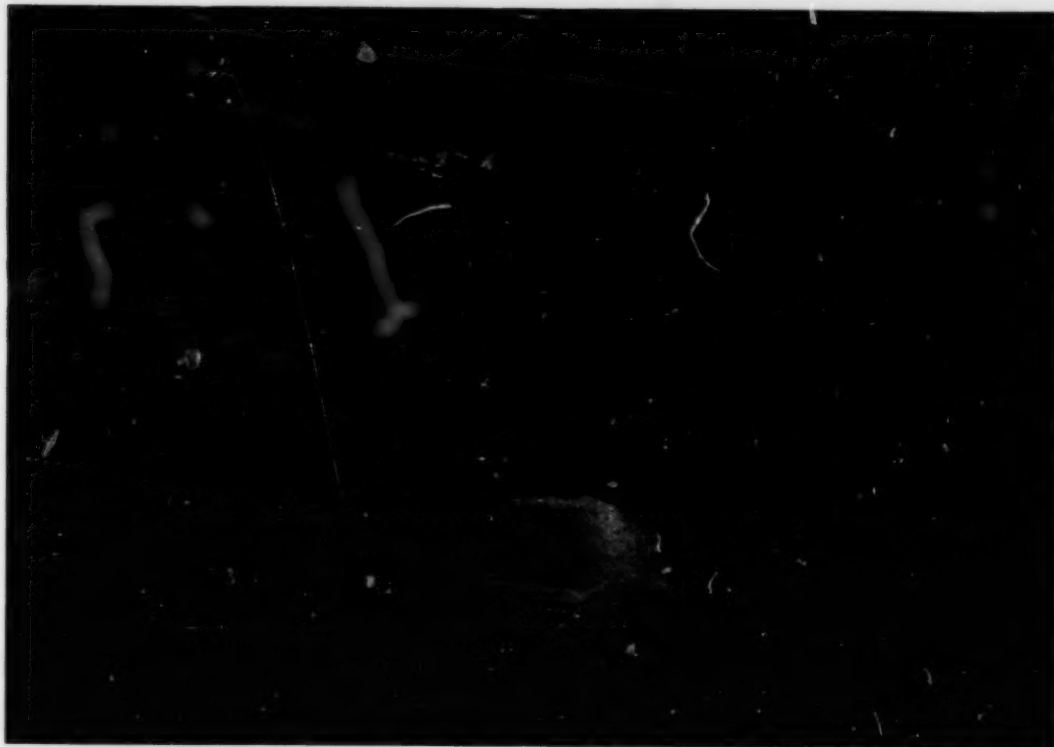
Mississauga's new City Hall and Civic Centre was occupied at the end of 1986. The building totals 320,000 square feet, half of which is comprised of office space, sufficient to house all City departments previously split between the old City Hall and a local office building. The remainder of the space has been devoted to the public, and includes a conservatory, restaurant, theatre, chapel, fitness centre, art gallery and day care centre.



Growth in **Brampton** also maintained the upward trend of recent years. Population at year end stood at 186,000, an increase of 4.5 per cent over 1985. Building permits were issued in the year for \$139.1 million in the commercial / industrial sector, while residential permits reached \$273.9 million. One of Brampton's key events in the coming year is the opening of the \$764 million American Motors Plant. The plant is the single largest automotive assembly facility in Canada, covering an area equivalent to forty football fields, and will employ almost three thousand people when production of a newly-designed mid-sized Renault begins.



Caledon has maintained all the appearance and charm of a rural community while recording the highest level of housing starts in five years. A total of 415 single family units were recorded in the year, with a further 259 completions. Residential building permits valued at \$35.2 million were issued in the year, while commercial / industrial permits added another \$5.9 million.



Chairman

R. Frank Bean

City of Brampton

Mayor Kenneth G. Whillans
Councillor Frank Andrews
Councillor Ellen Mitchell
Councillor Nancy Porteous
Councillor Peter Robertson
Councillor R. Frank Russell

City of Mississauga

Mayor Hazel M. McCallion
Councillor David L. Cook
Councillor David J. Culham
Councillor Harold E. Kennedy
Councillor Steve W. Mahoney
Councillor Frank J. McKechnie
Councillor Patricia Mullin
Councillor Maja Prentice
Councillor Edward A. Southorn
Councillor Larry Taylor

Town of Caledon

Mayor Emil V. Kolb
Councillor Donald Currie
Councillor Clark D. Glassford
Councillor V. Keith McCreary
Councillor Richard Pallett

Richard L. Frost
Chief Administrative Officer

Peter E. Allen
Commissioner of Planning

Douglas K. Burrows
Chief of Police

Peter N. Cole, M.D.
Commissioner and Medical Officer of Health

James Crozier
Commissioner of Social Services

James K. Dundas
Regional Solicitor

Donald J. Markle
Commissioner of Public Works

Robert A. Richards
Treasurer and Commissioner of Finance
and Treasurer of Peel Non-Profit Housing
Corporation

Peter R. Smith
Commissioner of Housing and General Manager
of Peel Non-Profit Housing Corporation